



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Pick-Sloan Missouri Basin Program--Eastern Division-Rate Order No. WAPA-168

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Extension of Transmission and Ancillary Services Formula Rates.

SUMMARY: This action extends the existing transmission and ancillary services rates for the Pick-Sloan Missouri Basin Program--Eastern Division (P-SMB--ED) through December 31, 2016. The existing Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1, UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1 are set to expire on December 31, 2014. These transmission and ancillary services rate schedules contain formula rates that are calculated annually using updated financial and load information.

DATES: This action is effective as of January 1, 2015.

FOR FURTHER INFORMATION CONTACT: Mr. Robert J. Harris, Regional Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101-1266; telephone: (406) 255-2800; e-mail: rharris@wapa.gov, or Ms. Linda Cady-Hoffman, Rates Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101-1266; telephone: (406) 255-2920; e-mail: cady@wapa.gov.

SUPPLEMENTARY INFORMATION: By Delegation Order No. 00-037.00A, effective October 25, 2013, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of Western Area Power Administration (Western); (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy

Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission (FERC). This extension is issued pursuant to the Delegation Order and Department of Energy (DOE) rate extension procedures at 10 CFR part 903.23(a).

Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1, UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1, contained in Rate Order Nos. WAPA-144 and WAPA-148,¹ were approved by FERC on September 23, 2010.² The existing formula rate schedules consist of separate rates for firm and non-firm transmission rates and ancillary services rates for the transmission facilities in the P-SMBP--ED, which are integrated with transmission facilities of Basin Electric Power Cooperative and Heartland Consumers Power District such that transmission services are provided over an Integrated System (IS). The rates are sometimes referred to as IS Rates.

The existing transmission and ancillary services formula rates are adequate to provide revenue to pay all annual costs, including interest expense, and to repay investment within the allowable period. The rates are calculated annually to ensure repayment of the project within the cost recovery criteria set forth in DOE Order RA 6120.2.

It should be noted that Western's Upper Great Plains Region (Western-UGP) has joined the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) contingent upon FERC approval of Western-UGP's negotiated provision in the SPP Membership Agreement, Bylaws, and Tariff (SPP Governing Documents). Upon achieving final FERC approval of membership within SPP and transferring functional control of the portion of Western-UGP's P-SMBP--ED facilities in the Eastern Interconnection to SPP, Western-UGP will merge its Upper Great Plains

¹ See 74 FR 68820 (December 29, 2009).

² See *U.S. Dept. of Energy, Western Area Power Admin.*, Docket No. EF10-3-000, 132 FERC ¶ 61,257 (2010).

East Balancing Authority Area in the Eastern Interconnection into SPP's Balancing Authority Area. Western-UGP will, however, retain operation of its Upper Great Plains West Balancing Authority Area in the Western Interconnection as the Balancing Authority (BA), and will not place the portion of its transmission system located in the Western Interconnect into SPP's Integrated Marketplace. Western-UGP plans to transfer functional control of the P-SMB--ED in the Western Interconnection by way of contract. At that time, transmission and ancillary services will be provided over Western-UGP facilities by SPP, and P-SMBP--ED transmission services will no longer be available on the IS under Western's Open Access Transmission Tariff. As a result, the existing Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1, UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1 would no longer be applicable.

Rate extensions are authorized under 10 CFR 903.23. Rates previously confirmed and approved by FERC, for which no adjustment is contemplated, may be extended by the Deputy Secretary on an interim basis following notice of proposed extension at least 30 days before expiration.³ On August 11, 2014, Western published a notice of the proposed extension in the Federal Register.⁴ In accordance with 10 CFR part 903.23(a), Western provided for a consultation and comment period, but did not conduct public information forums or public comment forums. The consultation and comment period ended on September 10, 2014, and Western did not receive any comments.

Following review of Western's proposal within DOE, I hereby approve Rate Order No. WAPA-168, which extends, without adjustment, the existing firm and non-firm transmission rates and ancillary services Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1,

³ See 10 CFR 903.23(a) (2014).

⁴ See 79 FR 46798 (August 11, 2014).

UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1 on an interim basis through December 31, 2016. Rate Order No. WAPA-168 will be submitted to FERC for confirmation and approval on a final basis.

Dated: November 21, 2014

Elizabeth Sherwood-Randall
Deputy Secretary of Energy

**DEPARTMENT OF ENERGY
DEPUTY SECRETARY**

In the matter of:)	
)	
Western Area Power Administration)	Rate Order No. WAPA-168
Rate Extension for the)	
Pick-Sloan Missouri Basin Program--Eastern)	
Division)	

**ORDER CONFIRMING AND APPROVING AN EXTENSION
OF THE PICK-SLOAN MISSOURI BASIN PROGRAM--EASTERN DIVISION
TRANSMISSION AND ANCILLARY SERVICES FORMULA RATE SCHEDULES**

These rates were established in accordance with section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152). This Act transferred to and vested in the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), and other acts that specifically apply to the project involved.

By Delegation Order No. 00-037.00A, effective October 25, 2013, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of Western Area Power Administration (Western); (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission (FERC). This extension is issued pursuant to the Delegation Order and DOE rate extension procedures at 10 CFR part 903.23(a).

BACKGROUND: Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1, UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1, contained in

Rate Order Nos. WAPA-144 and WAPA-148, were approved by FERC for a 5-year period on January 1, 2010, through December 31, 2014. FERC issued its approval on September 23, 2010, in Docket No. EF10-03-0000 (132 FERC ¶ 61,257). On August 11, 2014, Western published a notice in the Federal Register proposing to extend, without adjustment, Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1, UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1 under Rate Order No. WAPA-168 (79 FR 46798). Western provided for a consultation and comment period, but did not conduct public information forums or public comment forums. The consultation and comment period ended on September 10, 2014. Western did not receive any comments.

DISCUSSION: The P-SMBP--ED firm and non-firm transmission rates and ancillary services Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1, UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1 expire on December 31, 2014. The formula rates provide adequate revenue to pay all annual costs, including interest expense, and to repay investment within the allowable period. The rates are calculated annually to ensure repayment of the project within the cost recovery criteria set forth in DOE Order RA 6120.2. Rate Order No. WAPA-168 extends the existing formula Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1, UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1 through December 31, 2016, thereby continuing to ensure repayment within the cost recovery criteria.

ORDER

In view of the foregoing and under the authority delegated to me, I hereby extend, on an interim basis, the existing firm and non-firm transmission and ancillary services formula Rate Schedules UGP-NT1, UGP-FPT1, UGP-NFPT1, UGP-AS1, UGP-AS2, UGP-AS3, UGP-AS4, UGP-AS5, UGP-AS6, UGP-AS7, and UGP-TSP1. Rate Order No. WAPA-168 extends, without adjustment, the existing formula rates through December 31, 2016. The formula Rate Schedules shall be in effect pending the FERC confirmation and approval of this extension or substitute formula rates on a final basis.

Dated: November 21, 2014

Elizabeth Sherwood-Randall
Deputy Secretary of Energy

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